



Public Service Commission

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Rory M. Christian, Chair

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PSC Cuts National Grid Rate Hike Request

Commission Decision Slashes Proposed Rate Increase by More Than One-Third

Annual Electric and Gas Increases Kept Below 2 Percent for Next 3 Years

Rate Case Decision Consistent with Climate Act

ALBANY — The New York State Public Service Commission (Commission) today approved a three-year rate plan for National Grid customers living in upstate New York that is significantly lower than what the company initially requested. The Commission adopted a joint proposal signed by the company, Department staff, and labor groups, among others, that contains provisions to further the objectives of the Climate Leadership and Community Protection Act (CLCPA or Climate Act) and respond to the economic conditions created by the COVID-19 pandemic, while ensuring that the utility continues to provide safe and reliable service at just and reasonable rates.

“The joint proposal we adopted today allows for funding for the company to maintain safe and reliable service, while moderating rate impacts during the term of the rate plan and mitigating the impacts to ratepayers suffering the financial consequences of the pandemic,” **said Commission Chair Rory M. Christian.** “Further, this agreement is consistent with our nation-leading clean energy initiatives, as well as our social and economic policies.”

National Grid had sought an increase of approximately \$100.4 million in electric delivery revenues (a 4.9 percent increase in base delivery revenues or a 3.2 percent increase in total revenues), and an increase of approximately \$41.8 million in natural gas delivery revenues (a 9.8 percent increase in base delivery revenues or a 5.2 percent increase in total revenues).

Today’s decision establishes a three-year rate plan for electric and gas service provided by National Grid for the period July 1, 2021, through June 30, 2024, that allows revenues, after the application of customer credits, to increase by 1.4 percent for electric and 1.8 percent for gas in the first year, and by 1.9 percent for electric and gas in the second and third year, providing an immediate benefit to ratepayers who would otherwise experience higher rates at a time when the economy is still recovering from the COVID-19 pandemic.

Total electric bills for typical residential customers using 600 kilowatts per month would increase by between 2.02 percent and 2.2 percent in the first year, 1.98 percent and 2.12 percent in second year, and 2.24 percent and 2.4 percent in the third year, depending on the location of customers within the company’s service territory. Total gas bills for typical residential customers using 82 therms per

month would increase by 1.99 percent in the first year, 3.13 percent in the second year, and 3.29 percent in the third year.

In addition to mentioned parties, the joint proposal was signed by Multiple Intervenors, the New York Power Authority, Direct Energy Services, Marathon Power, the State Office of General Services, and Walmart. A number of consumer and environmental groups, including Environmental Defense Fund, Alliance for a Green Economy, and the Sierra Club, were neutral regarding the joint proposal.

In upstate New York, National Grid provides electric service to approximately 1.6 million customers and gas service to approximately 600,000 customers.

In soliciting public input on the joint proposal, the Commission held public statement hearings and received well over 2,000 written comments. Various business groups, chambers of commerce, economic development corporations, and for-profit and not-for-profit businesses commented favorably on National Grid's economic development grant programs and stated that continued investment in energy infrastructure and efficiency is critical for continued economic growth.

Today's decision is the result of substantial efforts of the parties to these proceedings. The negotiated phase of this process commenced after parties had the opportunity to submit testimony and began with the issuance of a notice to all potential participants as required by the Commission's rules. Members of the public were offered the opportunity, through Commission solicitations, to comment on the joint proposal through various means, including making statements at a public hearing, filing written comments, and leaving oral comments by phone message. All interested parties had a full opportunity to participate in these proceedings and address the provisions of the joint proposal.

The joint proposal had the support of nine parties, and the fact that the proposed terms are supported by so many parties with diverse interests suggests that the joint proposal reflects a reasonable compromise within the range of outcomes that could have been expected from a litigated decision. Indeed, the joint proposal's terms propose actions that could only be reached through settlement and is likely superior to a litigated outcome. The Commission's action adopting the joint proposal requires National Grid to take various steps in furtherance of the State's greenhouse gas emissions reductions targets and clean energy priorities as stated in the CLCPA.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 20-E-0380 or 20-G-0381 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.